



AGENCY RELATIONSHIP MANAGEMENT



Bridging Agency Needs with E-Solutions

HOLISTIC APPROACH

Title of Event
Date

Presented By:

Financial Management Service

Agency Relationship Management

- **Central point of contact for agencies**
- **Ensure coordination between agencies and Federal Finance**
- **Promote new/innovative collection tools**
- **Provide presentation support**
- **Publish Financial Connection**
www.fms.treas.gov/finconn/index.html
- **Primary responsibility for the *holistic approach***

What is the Holistic Approach?

- **The preferred way for Federal Finance to conduct business with Federal agencies**
 - Identify and prioritize target CFO agencies
 - Review collection activity with bureaus to propose overall cash management improvements
 - Work with agencies/departments/bureaus from a consultative standpoint

Goals

- **Move towards an all-electronic Treasury**
 - 90% EFT by 2010
- **Promote easy-to-use collection mechanisms that are convenient and secure**
- **Streamline the collection process**

Goals

- **Use web and electronic technologies**
- **Manage depository services provided to Federal agencies by banks and FRBs**
- **Provide timely collection of Federal government receipts**

Business Issue

- **Electronic collections percentage**
 - 79% of Federal revenue collected electronically—unchanged for the last three years

- **Key metric for FMS and Federal Finance**

Business Issue

- **Long term benefits of electronic collections**
 - Reduces costs
 - Improves accuracy
 - Enhances effectiveness
 - Example: EFTPS vs. FTD Coupon: 30 times less likely to have a problem
 - Improves cash forecasting
 - Improves returns processing and exceptions, etc.

METHODOLOGY

- **Establish agency-wide goals and metrics based on the agency's entire portfolio of cash flows**
- **Agree on the agency's overall electronic collections targets**
- **Establish Strategic Cash Management Agreement and Implementation Plan with target agency/bureau**

METHODOLOGY

- **Involve Federal Finance program areas in the strategic planning process**
- **Assist agencies with marketing strategies to convert remitters from paper to EFT**

Cash Management Agreement

- **Description of remitter base and business lines**
- **Description of unique constraints, issues, opportunities**
- **Description of overall strategy**
- **Baseline EFT% and unit costs (e.g, 60% and \$1.45)**

Cash Management Agreement

- **Target EFT% and unit costs (e.g., 70% and \$1.25)**
- **Cash flow splits and future targets**
 - 90% through lockbox, 10% through Pay.gov
 - Enabling EFT vs. driving real usage
- **Conversion of specific, large cash flows**
- **"Rate Card" for charging agencies that fail to meet targets**

KEY FMS PLAYERS

General Revenue Collection Division

- TBD – Director
 - Pay.gov, GLN/ECP, ACH, PCN

Over the Counter Revenue Collection Division

- Corvelli McDaniel – Director
 - TGANet, PCC OTC, PCN

KEY FMS PLAYERS

Agency Relationship Management Division

- Carolyn Dunston – Director
 - Agency/customer relationships

Accounting and Data Management Division

- Fred Lehnhoff – Director
 - TRS, SAM, CA\$HLINK II

FUNCTIONAL SUPPORT

- **Each FF Division will:**
 - Work with the FPAs to finalize collection requirements
 - Work with the FPAs to implement collection systems as outlined in the strategic plan
 - Revise and consolidate the FMS Treasury Financial Manual (TFM) chapters on revenue collection to support the holistic approach

FMS's COLLECTIONS ARCHITECTURE

FMS COLLECTIONS ARCHITECTURE

- **General revenue collections (non-tax)**
 - Channels and systems
- **Banking relationships**
 - Commercial and Federal Reserve
- **Reporting to Agencies**
- **Enterprise Architecture and CCMM**

COLLECTION SYSTEMS - TRANSACTION TYPES

- **Internet Channel:** Pay.gov – ACH, Fedwire, Credit/Debit Cards
- **Mail Channel:** GLN – Checks; PCN – Credit/Debit Cards
- **Bank Channel:** TBD – ACH, Fedwire
- **OTC Channel:** TGANet – Checks and Cash; PCC OTC – Checks; PCN – Credit/Debit Cards
- **Voice Response Channel:** TBD – ACH & Credit/Debit Cards

Banking Relationship Changes

- **Reduce to an appropriate level the number of financial agents and fiscal agents supporting major collection operations**
- **Reduce to an appropriate level the number of financial agents serving as local TGAs**

Collections and Cash Management Modernization (CCMM)

- **Comprehensive, multiyear effort to streamline, modernize, and improve the processes and systems supporting FMS's and Treasury's collections and cash management programs**
- **Top strategic priority at FMS and in Treasury's Office of the Fiscal Assistant Secretary**

Collections and Cash Management Modernization (CCMM)

- **Strategic plans guide efforts for achieving ultimate goals:**
 - Consolidated collections report will pull together all revenues, regardless of the collections channel
 - Agencies will not reconcile the detailed report against the summary information from CA\$HLINK II

Reporting To Agencies

○ **Transaction Reporting System**

- Hub-and-spoke connections to banks and agencies, with FMS in the middle – one connection to each bank and agency
- Central data warehouse for queries
- Standard XML reporting schema for all reports and interfaces

Reporting to Agencies

- **Both FMS and agency receive detail reports, eliminating reconciliation**
- **Enterprise Image Platform**

CONTACTS

Carolyn Dunston, Director

Agency Relationship Management Division

202/874-7491; carolyn.dunston@fms.treas.gov

Timothy Kanaley, Program Manager

Agency Relationship Management Division

202/874-6797; tim.kanaley@fms.treas.gov